

MEMORANDUM FOR THE DIRECTOR OF CIVIL WORKS

SUBJECT: Project Cooperation Agreements (PCAs) Review

Since the implementation of the 1986 cost-sharing reforms for Civil Works projects, a standard part of the review process for PCAs has included a review by the Office of Management and Budget (OMB). This review process has served us well in that it has given OMB a high level of confidence in the Corps' commitment to faithful and consistent application of the cost-sharing and crediting requirements of the Water Resources Development Act of 1986 (WRDA '86) and subsequent legislation.

During the course of implementing WRDA '86, we have taken a number of steps to institutionalize the application of cost-sharing and crediting requirements. Most notable among those steps has been the continuing development and refinement of our model cost-sharing agreements.

As a further step in streamlining the process, OMB has agreed to suspend its review of PCAs. Army will merely report to OMB quarterly as to the purpose, location and Federal cost of projects supported by the PCAs approved during that quarter. The only exception to this policy is in the case of PCAs being reviewed in anticipation of execution, out of the normal sequence, because of a Congressional directive contained in an appropriations or authorization act or in accompanying reports.

The processing of PCAs will be simplified and expedited as a result of this change in procedure. However, it is important that each Project Manager recognize that a PCA will not be approved by this office (except in those few cases where the execution of a PCA is specifically directed by the Congress) without Executive Branch review of the report on which the PCA is based.

G. Edward Dickey
Acting Assistant Secretary of the Army
(Civil Works)